

September 10, 1999

CENTRAL MAINE POWER COMPANY
Request for Approval of RFP Pursuant to
Chapter 307

ORDER APPROVING CENTRAL
MAINE POWER COMPANY'S
PROPOSED REVISIONS TO ITS
REQUEST FOR BIDS PACKAGE

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

SUMMARY

This Order grants approval of Central Maine Power Company's (CMP) proposed revisions to its Request for Bids Package (RFB).

BACKGROUND AND DISCUSSION

On July 22, 1999, the Commission approved CMP's proposed RFB in the above-captioned proceeding in accordance with Chapter 307 of the Commission's rules. As described more fully in the July 22nd Order, the RFB is to solicit proposals for the purchase of CMP's entitlements to capacity and energy from generation assets and purchased power agreements (PPA) not divested by CMP. On July 27, 1999, CMP filed revisions to Appendix D of the RFB Information Document that clarified the details of the data request procedures for potential bidders.¹ CMP is now proposing to revise its RFB package in several additional respects. According to CMP, these revisions are necessary to reflect in the RFB updated energy and capability estimates made available by data received, or caused by events occurring, since the original bid package was prepared.

CMP provided the following summary of its proposed revisions and the reasons for the revisions:

- Removal of the Gorbell/Thermo Electron PPA from the bid package as a result of the restructuring of that agreement.
- Updated estimates of installed capability for Category 1, due to more recent data for some of the hydro resources.

¹ These revisions were minor and non-substantive. CMP did not seek Commission approval prior to sending the revised Appendix D to bidders.

- Updated estimates of energy and capability for Category 2 due to one recent capability audit of a cogeneration unit and an agreement for CMP to buy out the LaValley Lumber PPA.
- Revised selected text in Sections 4 and 7 and updated estimates of energy and capability for Category 2 resulting from moving the Rumford Cogeneration Company PPA to a new Category 6.
- Updated estimates of Hydro-Quebec annual deliveries in Category 4.

CMP has revised the RFB Information Document (including Appendices) and the Entitlement Agreements to reflect the above changes. Of particular note is the treatment of the Rumford Cogeneration Company PPA. CMP proposes to create a new Category 6 that would contain only this resource, which was formerly included in Category 2. Placing the Rumford Cogeneration Company PPA into a separate category would preserve a restructuring opportunity for the PPA while also allowing CMP to receive and consider bids for the PPA entitlement as part of the Chapter 307 RFB process. Bidders would be informed by statements in the revised RFB that the Category 6 entitlement is subject to a possible restructuring, and that the associated capacity and energy may become unavailable.

DECISION

Section 6(B)(3) of Chapter 307 governs the review and approval process for a utility's proposed RFB package, and includes a delegation of the Commission's approval authority to the Director of Technical Analysis. I have reviewed CMP's proposed revisions to its RFB. The revisions related to the Rumford Cogeneration Company PPA provide a reasonable way to preserve a restructuring opportunity and, at the same time, maintain the PPA as part of the Chapter 307 RFB process. The other revisions CMP has proposed are generally to provide more current or accurate data for bidders. As such, they should allow bidders to better assess the value of the entitlements for which they wish to bid.

Accordingly, it is

ORDERED

1. That Central Maine Power Company's proposed revisions filed on September 9, 1999 to its Chapter 307 Request For Bids Package are approved.

Dated at Augusta, Maine, this 10th day of September, 1999.

BY ORDER OF THE DIRECTOR OF TECHNICAL ANALYSIS

Faith Huntington
Acting Director of Technical Analysis